



THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: July 26, 2006 REPORT NO: 06-105

ATTENTION: Council President and City Council  
Docket of July 31, 2006

SUBJECT: Tax Rate Ordinance for Fiscal Year 2007

REFERENCE:

**REQUESTED ACTION:**

Funding is appropriated in the Fiscal Year 2007 Budget for Public Safety Communication Bonds, \$2,329,935, and for Zoological Exhibits, \$8,423,463. Shall the City Council adopt an ordinance setting tax rates for Public Safety Communication Bonds and Zoological Exhibits?

**STAFF RECOMMENDATION:**

Adopt the Ordinance.

**SUMMARY:**

Public Safety Communications Bonds

On June 5, 1990, voters approved the issuance of \$25,500,000 of general obligation bonds for the Public Safety Communications Project. The project included new Police and Fire communications centers, new Police and Fire/Emergency Medical Services computer police field units and 800 megahertz radio systems. It is necessary to set a tax rate to provide sufficient funds to pay scheduled principal and annual interest payments on outstanding Public Safety Communications Bonds for capital improvements to be paid off in annual installments by Fiscal Year 2012.

Zoological Exhibits

The zoological exhibits in Balboa Park are financed from a fixed property tax levy of \$.02 per \$100 of assessed valuation mandated in the City Charter, Section 77A. Subsequent to the adoption of Charter section 77a, Section 135 of the California Revenue and Taxation Code changed the definition of assessed valuation to "full value" where it had previously been 25 percent of "full value." Pursuant to Section 135(d) of the California Revenue and Taxation Code, a conversion factor of one-fourth ( $\frac{1}{4}$ ) is applied to the tax rate, which changes the rate to \$.005 for purposes of translating the Charter Section 77a tax rates to the new definition. This rate will be applied to taxable property assessed at full value (100%) for Fiscal Year 2006-2007. The following is a comparison of Fiscal Year 2006 and Fiscal Year 2007 tax rates:

Purpose	FY 2006 Per \$100 AV*	FY2007 Per \$100 AV*
Public Safety Communication Bonds (Fund 21640)	0.00145	0.00124
Zoological Exhibits (Fund 10222)	0.00500	0.00500

\*Assessed Valuation

The tax rate for the Public Safety Communications Bond is being reduced as the proposed tax is applied to a higher base due to the increase in assessed valuations. Amounts derived from the tax levy will be used to pay scheduled principal and annual interest payments on the bonds.

The Zoological Exhibits tax rate remains unchanged consistent with City Charter Section 77A.

The Charter of San Diego, Section 75 requires that an annual Tax Levy be adopted by ordinance no later than the last day of August of each year.

**FISCAL CONSIDERATIONS:**

Funding is appropriated in the Fiscal Year 2007 Annual Budget for Public Safety Communication Bonds, \$2,329,935, and for Zoological Exhibits, \$8,423,463.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:** None

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:** None

**KEY STAKEHOLDERS AND PROJECTED IMPACTS:** None

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Financial Management Director

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Lawrence V. Tomanek  
Assistant City Auditor and Comptroller

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Jay M. Goldstone  
Chief Financial Officer